

Message Text

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TO AMEMBASSY BOGOTA PRIORITY

C O N F I D E N T I A L STATE 204051

FOR STR REPRESENTATIVE STEPHEN LANDE

FOL REPEAT MANILA 13219 ACTION SECSTATE GENEVA DTD 24 AUG.

QUOTE

C O N F I D E N T I A T MANILA 13219

USMTN

E.O. 11652: GDS
TAGS: EINVN, ETRD, RP, US
SUBJECT: US/RP ECONOMIC TREATY TALKS

REF: (A) MANILA 13040, (B) STATE 199260

1. SUMMARY. VEGA HAS CONVEYED GOP WORKING LEVEL REACTION TO
USG DRAFT ON GSP WAIVER BY HANDING US REVISED VERSION WHICH IS
CARRIED VERBATIM BELOW. HE INDICATED THERE IS GOP SENTIMENT
FOR AN ECONOMIC TREATY AS A BALANCE TO JAPAN AND AS "GOOD
INSURANCE." HE AGREED WITH HEGINBOTHAM CONTINUING PRE-NEGO-
TIATION DISCUSSION ON OCCASION OF US/ASEAN ECONOMIC CONSUL-
TATIONS NEXT MONTH. VEGA STRESSED THAT HE WAS SPEAKING WITH
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THE AUTHORITY OF THE GOP INTERAGENCY COMMITTEE ON TARIFFS AND
TRADE RELATED MATTERS, THE CHAIRMAN OF WHICH (AMBASSADOR
SUAREZ), AND TWO OTHER MEMBERS WERE PRESENT DURING OUR CALL.
END SUMMARY.

2. ACTING E/C COUNSELOR AND EMBOFF CALLED ON VEGA
AUGUST 23 IN VIRATA'S CONFERENCE ROOM IN CENTRAL BANK

AND DISCOVERED THAT AMBASSADOR PABLO SUAREZ AND GEORGE ARIZABAL OF DFA ECONOMIC AFFAIRS OFFICE, AND REGINALD VELASCO OF NEDA POLICY COORDINATION STAFF WERE ALSO PRESENT TO PARTICIPATE IN MEETING. VEGA STATED THAT THE GOP INTERAGENCY COMMITTEE ON TARIFFS AND TRADE RELATED MATTERS (TTRM) HAD REVIEWED LATEST USG TEXT ON GSP WAIVER AND HAD COME UP WITH A SLIGHTLY REVISED VERSION WHICH IT FEELS IT COULD RECOMMEND TO ITS PRINCIPALS. TTRM, HOWEVER, WANTED FIRST TO ELICIT USG REACTION BEFORE PROCEEDING FURTHER.

3. VEGA HANDED OVER FOLLOWING TEXT. BEGIN QUOTE:
PHILIPPINE TEXT ON THE BASIS OF LATEST U.S. HYPOTHETICAL COMPETITIVE NEED WAIVER LANGUAGE. SUBJECT TO THE REQUIREMENTS OF U.S. LAW AND POLICY APPLIED IN THE ADMINISTRATION OF THE U.S. GENERALIZED SYSTEM OF PREFERENCE AND U.S. INTERNATIONAL OBLIGATIONS, WITHIN THE LIMITES OF DISCRETION AVAILABLE AND TAKING INTO ACCOUNT PHILIPPINE DEVELOPMENT NEEDS, THE UNITED STATES SHALL ACCORD TO PRODUCTS OF THE PHILIPPINES LISTED IN ANNEX --- (ELIGIBLE FOR INCLUSION IN THE U.S. GENERALIZED SYSTEM OF PREFERENCES) TREATMENT NO LESS FAVORABLE THAN THAT ACCORDED LIKE PRODUCTS OF ANY THIRD COUNTRY OF THE GENERALIZED SYSTEM OF PREFERENCES AUTHORIZED PURSUANT TO U.S. LAWS. IN PURSUANCE OF THIS COMMITMENT, THE UNITED STATES WILL REVIEW ANNUALLY THOSE PRODUCTS FROM THE PHILIPPINES OTHER THAN THOSE IN ANNEX
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----WHICH MAY BE EXCLUDED FROM GSP BY THE REQUIREMENTS OF SECTION 504 (C) (1) OF THE TRADE ACT OF 1974 ON AN ARTICLE-BY-ARTICLE BASIS. TO THE EXTENT POSSIBLE, THIS REVIEW WILL TAKE INTO ACCOUNT PHILIPPINE DEVELOPMENT NEEDS AND THE VIEWS OF THE GOP WITH RESPECT TO THE AFFECTED ITEMS. END QUOTE.

4. WE TOLD VEGA AND OTHER GOP OFFICIALS THAT USG WAS REVIEWING OUR RESPECTIVE POSITIONS ON INVESTMENT AND THAT HEGINBOTHAM WOULD DISCUSS THE SUBJECT IN MANILA IN SEPTEMBER. WE NOTED THAT BOTH MRS. MANALO AND VIRATA HAD STRESSED THAT THE GOP WANTED TO HOLD BILATERAL TALKS AFTER REPEAT AFTER THE US/ASEAN CONSULTATIONS SO AS TO AVOID AROUSING ANY SENSITIVITIES ON THE PART OF THE OTHER ASEAN COUNTRIES. THAT WOULD PROBABLY MEAN SEPTEMBER 10.

5. NEITHER VEGA NOR THE OTHER GOP OFFICIALS WERE AWARE THAT AMBASSADOR ROMALDEZ HAD PROPOSED RESUMPTION OF ECONOMIC NEGOTIATIONS ON SEPTEMBER 6. ARIZABAL OPINED THAT DFA DID NOT SEND ANY INSTRUCTIONS, SO IT MUST HAVE BEEN THE PALACE. IN ANY CASE, GOP OFFICIALS PROMISED TO CHECK FURTHER AND ASCERTAIN WHETHER THE TALKS WOULD BE ON THE

6TH OR THE 10TH.

6. EMBOFFS EXPRESSED THE VIEW THAT THE SEPTEMBER DISCUSSIONS WITH HEGINBOTHAM WOULD CONTINUE ON THE LEVEL OF THE PRE-NEGOTIATIONS WHICH BOTH VIRATA AND WE DESIRED. VEGA AGREED READILY. COOPER'S NAME WAS MENTIONED ONLY TANGENTIALLY, AND VEGA AND GOP OFFICIALS CLEARLY EXPECT THAT THEY WILL BE TALKING TO HEGINBOTHAM.

7. VEGA ASKED FOR 1976 U.S. STATISTICS ON 24 TSUSA ITEMS, WORLDWIDE IMPORTS AND PHILIPPINE SHARE. HE SAID USG ALWAYS REFERS TO ITS OWN STATISTICS, AND GOP WAS PREPARED TO ACCEPT THEM FOR THE DISCUSSIONS. HE ASKED FOR STATISTICS ON THE FOLLOWING TSUSA NUMBERS:
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240.02	(EX) 240.17	170.40
146.44	315.35	170.45
206.45	150.00	170.60
240.38	165.46	165.44
240.40	366.84	315.30
305.40	365.82	532.24
741.40	705.58	705.86
792.50	706.14	727.10

8. WE SOUTHT TO CLICIT SOME INFORMATION REGARDING THE RENEWED GOP INTEREST IN AN ECONOMIC TREATY WITH THE UNITED STATES. VEGA SAID HE THOUGHT THE USG ITSELF WAS EXTREMELY INTERESTED IN A SUCCESSOR AGREEMENT IN THE IMMEDIATE POST-11 YEARS. WHEN WE SAID WE THOUGHT TRADE AND INVESTMENT HAD PROSPERED IN THE MEANTIME, VEGA STRESSED THAT IT WOULD BE STRANGE FOR THE PHILIPPINES TO HAVE A TREATY WITH JAPAN AND NONE WITH THE UNITED STATES. ABOVE ALL, VEGA SAID IT WAS "GOOD INSURANCE" BUT DID NOT EXPLAIN WHAT HE MEANT BY THAT.

9. ACTION REQUESTED: WE WOULD APPRECIATE THE DEPARTMENT FURNISHING THE TRADE STATISTICS WHICH VEGA REQUESTED ON THE TSUSA NUMBERS GIVEN. THEY PROBABLY REFLECT GOP REQUESTS FOR GSP INCLUSION. SIGNIFICANTLY, SUGAR IS OMITTED.
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10. ADDENDUM: AMBASSADOR SUAREZ TELEPHONED MORNING OF AUGUST 24 TO INFORM THAT GOP DESIRES BILATERAL ECONOMIC TALKS BE HELD SEPTEMBER 6 WITH THE MORNING OF SEPTEMBER 7 RESERVED FOR ANY SPILLOVER. GOP, WHILE STILL AWARE OF POSSIBLE ASEAN SENSITIVITIES, WAS AFRAID THAT SEPTEMBER 10 MAY BE TOO LATE AND THERE MIGHT NOT BE ENOUGH TIME.
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UNQUOTE CHRISTOPHER

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Copy: SINGLE
Sent Date: 25-Aug-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Executive Order: GS
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